From: Bob Sussman

To: Dayna Gibbons

Cc: Jeanne Briskin; Cynthia Sonich-Mullin; David Jewett; Doug Beak; Fred Hauchman; Layla Mansuri; Lek Kadeli;

Mary Hanley; Michael Overbay; Ralph Ludwig; Ramona Trovato; Stephen Hess; Susan Mravik; William Honker;

Wren Stenger

Subject: Re: Fw: Meeting tomorrow.

Date: 08/02/2012 01:54 PM

this will need to be updated now that we can say we have a new site and identify where it is.

Robert M. Sussman Senior Policy Counsel to the Administrator Office of the Administrator US Environmental Protection Agency

▼ <u>Dayna Gibbons---08/02/2012 01:23:28 PM---This is the last version we discussed.</u> From: Jeanne Briskin/DC/USEPA/US

From: Dayna Gibbons/DC/USEPA/US
To: Jeanne Briskin/DC/USEPA/US@EPA

Cc: Bob Sussman/DC/USEPA/US@EPA, Cynthia Sonich-

Mullin/CI/USEPA/US@EPA, David Jewett/ADA/USEPA/US@EPA, Doug Beak/ADA/USEPA/US@EPA, Fred Hauchman/DC/USEPA/US@EPA, Layla Mansuri/R6/USEPA/US@EPA, Lek Kadeli/DC/USEPA/US@EPA, Mary Hanley/DC/USEPA/US@EPA, Michael Overbay/R6/USEPA/US@EPA, Ralph Ludwig/ADA/USEPA/US@EPA, Ramona Trovato/DC/USEPA/US@EPA, Stephen Hess/DC/USEPA/US@EPA, Susan Mravik/ADA/USEPA/US@EPA, William

Honker/R6/USEPA/US@EPA, Wren Stenger/R6/USEPA/US@EPA

Date: 08/02/2012 01:23 PM

Subject: Re: Fw: Meeting tomorrow.

This is the last version we discussed.

From: Jeanne Briskin/DC/USEPA/US

To: Stephanie Timmermeyer < stephanie.timmermeyer@chk.com>

Date: 02/24/2012 03:06 PM Subject: update regarding our work

Hi Stephanie,

This note follows up on the phone message I left you. We would like to update our website regarding the status of our prospective case study. As we have already contacted the State of Louisiana, we would like to be prepared if questions come in. Here is some draft text. We'd appreciate your feedback on this.

Draft language

Due to scheduling conflicts, the prospective case study of the hydraulic fracturing site near Mansfield in DeSoto Parish, Louisiana, will be replaced by an alternative site. Sampling to establish baseline conditions for the study could not be completed before drilling was to begin on the site. While it was not a factor in the decision to cancel this case study, the site

was also not ideal for collection of certain baseline samples, due in part to the anticipated slow rate of groundwater flow. We are working closely with Chesapeake Energy (our industry partner on this project) to identify a replacement site that meets the criteria for EPA's hydraulic fracturing study.

Draft Questions and Answers

1. Will the new prospective case study site be located in the Haynesville Shale area?

EPA will not be able to replace this site with another one in the Haynesville Shale area, because there are no available sites that satisfy our criteria while fitting into the schedules of both EPA and Chesapeake Energy. Therefore, we have begun looking for a replacement site in other areas where Chesapeake has plans to drill.

2. Will this delay results for the final Hydraulic Fracturing Report?

EPA intends to establish a schedule, in agreement with our industry partner, that would make results available in 2014.

Thanks,

Jeanne

Jeanne Briskin
Office of Science Policy
Office of Research and Development
U.S. Environmental Protection Agency
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Washington, D.C. 20460
(202) 564-4583 - office
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▼ Jeanne Briskin---08/02/2012 01:09:24 PM---Bob, Some months ago, Stephanie Timmermeyer and I worked out some mutually agreeable language to a

Jeanne Briskin/DC/USEPA/US From:

Bob Sussman/DC/USEPA/US@EPA, Michael

Overbay/R6/USEPA/US@EPA

Fred Hauchman/DC/USEPA/US@EPA, Lek Kadeli/DC/USEPA/US@EPA, Mary Hanley/DC/USEPA/US@EPA, Ramona Trovato/DC/USEPA/US@EPA, Cynthia Sonich-Mullin/CI/USEPA/US@EPA, Ralph Ludwig/ADA/USEPA/US@EPA, David Jewett/ADA/USEPA/US@EPA, Wren Stenger/R6/USEPA/US@EPA, William Honker/R6/USEPA/US@EPA, Layla Mansuri/R6/USEPA/US@EPA, Stephen Hess/DC/USEPA/US@EPA, Doug Beak/ADA/USEPA/US@EPA, Susan Mravik/ADA/USEPA/US@EPA, "Dayna Gibbons" < Gibbons.Dayna@epamail.epa.gov>

Date: 08/02/2012 01:09 PM

Subject: Re: Fw: Meeting tomorrow.

Bob,

Some months ago, Stephanie Timmermeyer and I worked out some mutually agreeable language to announce and explain the new location. We can review this to make sure it is still appropriate.

Dayna, would you please share the text we developed?

Thanks,

Jeanne Sent by blackberry

Bob Sussman

---- Original Message -----

From: Bob Sussman

Sent: 08/02/2012 11:49 AM EDT

To: Michael Overbay

Cc: Fred Hauchman; Jeanne Briskin; Lek Kadeli; Mary Hanley; Ramona Trovato; Cynthia Sonich-Mullin; Ralph Ludwig; David Jewett; Wren Stenger; William Honker; Layla Mansuri; Stephen Hess; Doug Beak; Susan Mravik
Subject: Re: Fw: Meeting tomorrow.

Thanks much, Mike. Glad we're at the end of this process. We should be talking to Chesapeake about announcing the new site. I'll drop Paul a note but one of you should follow-up with John, if he's the right guy.

Robert M. Sussman Senior Policy Counsel to the Administrator

Office of the Administrator US Environmental Protection Agency

▼ Michael Overbay---08/02/2012 11:02:28 AM---Hi Bob, Good news! We have reached agreement on moving forward with the prospective case study in n

From: Michael Overbay/R6/USEPA/US
To: Bob Sussman/DC/USEPA/US@EPA
Cc: Fred Hauchman/DC/USEPA/US@EPA, Jeanne

Briskin/DC/USEPA/US@EPA, Lek Kadeli/DC/USEPA/US@EPA, Mary Hanley/DC/USEPA/US@EPA, Ramona Trovato/DC/USEPA/US@EPA, Cynthia Sonich-Mullin/CI/USEPA/US@EPA, Ralph Ludwig/ADA/USEPA/US@EPA, David Jewett/ADA/USEPA/US@EPA, Wren Stenger/R6/USEPA/US@EPA, William Honker/R6/USEPA/US@EPA, Layla Mansuri/R6/USEPA/US@EPA, Stephen Hess/DC/USEPA/US@EPA, Doug Beak/ADA/USEPA/US@EPA, Susan

Mravik/ADA/USEPA/US@EPA
Date: 08/02/2012 11:02 AM
Subject: Re: Fw: Meeting tomorrow.

Hi Bob,

Good news! We have reached agreement on moving forward with the prospective case study in northern Oklahoma. Paul Hagemeier said that before Tuesday, he had never been told of Chesapeake's requirement for the well control insurance they were asking us to get through the drilling subcontractor. He felt there was no possible way a water well drilling rig could cause a loss of well control, so he committed that they would drop that issue and send us confirmation in writing (which I haven't got yet, but will check on today).

Their requirement for liability insurance in the amount of \$10 million to be carried by both the prime and subcontractors for EPA is being addressed. The prime will amend their insurance certificate to name Chesapeake as an additional insured, and will require the same from the sub when they bid the drilling work. The access agreement is in final revisions with Steve Hess of OGC talking to Chesapeake's counsel, Bob Costello, today. This will add about \$20K in costs to the project, (b) (5)

Steve Hess and Bob Costello are also working on revising the access agreement to address the continuity of access to the site should Chesapeake sell the site, or be taken over by another company. Steve told me yesterday that it is 99% there, and he expects to finalize the language today or tomorrow. While this may not be absolutely binding, both sides felt it was the best that can be done under the circumstances.

Having resolved the insurance and access issues, we had a scoping meeting with our prime contractor (Ecology and Environment, or E&E) immediately following the Chesapeake meeting on Tuesday, and have already directed them to move forward with preparing the revised QAPP for characterizing the site and securing the drilling subcontractor. They also have been directed to complete the insurance certificate changes and provide that to us ASAP.

Regards,

Mike

Michael Overbay, P.G. Regional Ground Water Center Coordinator U.S. Environmental Protection Agency - Region 6 (214)665-6482 (214)665-2191 (FAX)

▼ Bob Sussman---08/01/2012 05:04:58 PM---Mike -- sorry i had to leave yesterday's Chesapeake meeting before we discussed these issues. (b) (5)

From: Bob Sussman/DC/USEPA/US
To: Michael Overbay/R6/USEPA/US@EPA

Cc: Fred Hauchman/DC/USEPA/US@EPA, Jeanne
Briskin/DC/USEPA/US@EPA, Lek Kadeli/DC/USEPA/US@EPA, Mary
Hanley/DC/USEPA/US@EPA, Ramona Trovato/DC/USEPA/US@EPA, Cynthia
Sonich-Mullin/CI/USEPA/US@EPA, Ralph Ludwig/ADA/USEPA/US@EPA, David
Jewett/ADA/USEPA/US@EPA, Wren Stenger/R6/USEPA/US@EPA, William
Honker/R6/USEPA/US@EPA, Sam Coleman/R6/USEPA/US@EPA, Layla
Mansuri/R6/USEPA/US@EPA, Stephen Hess/DC/USEPA/US@EPA, Doug

Beak/ADA/USEPA/US@EPA, Susan Mravik/ADA/USEPA/US@EPA

Date: 08/01/2012 05:04 PM

Subject: Re: Fw: Meeting tomorrow.

Mike -- sorry i had to leave yesterday's Chesapeake meeting before we discussed these issues. (b) (5)

Robert M. Sussman Senior Policy Counsel to the Administrator Office of the Administrator US Environmental Protection Agency

▼ Michael Overbay---07/30/2012 04:35:09 PM---Hi Bob, I spoke with Jeanne this afternoon, and she asked me to send you some bullets updating you o

From: Michael Overbay/R6/USEPA/US To: Bob Sussman/DC/USEPA/US@EPA

Cc: Fred Hauchman/DC/USEPA/US@EPA, Jeanne

Briskin/DC/USEPA/US@EPA, Lek Kadeli/DC/USEPA/US@EPA, Mary Hanley/DC/USEPA/US@EPA, Ramona Trovato/DC/USEPA/US@EPA, Cynthia

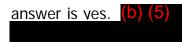
Sonich-Mullin/CI/USEPA/US@EPA, Ralph Ludwig/ADA/USEPA/US@EPA, David Jewett/ADA/USEPA/US@EPA, Wren Stenger/R6/USEPA/US@EPA, William Honker/R6/USEPA/US@EPA, Sam Coleman/R6/USEPA/US@EPA, Layla Mansuri/R6/USEPA/US@EPA, Stephen Hess/DC/USEPA/US@EPA, Doug Beak/ADA/USEPA/US@EPA, Susan Mravik/ADA/USEPA/US@EPA, Mary Hanley/DC/USEPA/US@EPA

Date: 07/30/2012 04:35 PM Subject: Re: Fw: Meeting tomorrow.

Hi Bob,

I spoke with Jeanne this afternoon, and she asked me to send you some bullets updating you on the prospective case study with Chesapeake.

- (b) (5) Our prime contractor has the necessary insurance in place, but will have to get their policy modified to list CHK as an "additional insured" and to provide the requested subrogation language. Our prime contractor said this is not a problem and can be done in a few weeks once we resolve to move forward.
 - The request for proposals for the drilling subcontractor will have to include a spec that they get \$10 million in liability insurance. They can do that, but it will cost us \$20-25K.
- The CHK request for well control insurance is unresolved. CHK had estimated that our drilling subcontractor could purchase this insurance for \$3K + tax. Our prime contractor informed me today it is not normally sold to anyone but the well owner, and that IF we can get the sub to purchase it, it is likely to cost us \$25K. I have sent an email to John Satterfield today asking them if the well control insurance is a "must have" for them. No reply as of yet.
- Total additional cost to the project for insurance: \$45-50K
- A draft access agreement has been shared and revised several times. Last Friday afternoon I sent them the latest version, which included language that says we will require our drilling subcontractor to provide both \$10 million in liability insurance and the well control insurance, subject to approval by EPA management. (That was before the \$25K quote).
- of continuity of access should CHK sell this property or itself be taken over by another company, Steve Hess, Susan Mravik and I had a call with John Satterfield and Bob Costello (CHK's senior counsel) on Friday afternoon. They are willing to add language to the access agreement to document the intent, (b) (5)
- You had asked me to check with our other interested company about were they still interested in participating in a prospective case study should we decide to do that. The



I will be in Ada tomorrow and will call in from there.

Michael Overbay, P.G. Regional Ground Water Center Coordinator U.S. Environmental Protection Agency - Region 6 (214)665-6482 (214)665-2191 (FAX)

▼ Bob Sussman---07/30/2012 01:05:48 PM---I wanted to make sure we're ready for tomorrow's meeting with Chesapeake. Paul wants to focus on the

From: Bob Sussman/DC/USEPA/US

To: Jeanne Briskin/DC/USEPA/US@EPA, Ramona

Trovato/DC/USEPA/US@EPA, Lek Kadeli/DC/USEPA/US@EPA, Fred Hauchman/DC/USEPA/US@EPA, Michael Overbay/R6/USEPA/US@EPA

Cc: Mary Hanley/DC/USEPA/US@EPA
Date: 07/30/2012 01:05 PM
Subject: Fw: Meeting tomorrow.

I wanted to make sure we're ready for tomorrow's meeting with Chesapeake. Paul wants to focus on the studies that Chesapeake has conducted of the two Pennsylvania sites (Which include a retrospective case study site).

He will also want to know where we are in resolving the access and indemnification issues for the prospective case studies. I haven't heard anything more about the open issues and would appreciate an update before tomorrow's meeting.

If there's anyone else who should be invited to tomorrow's meeting, please work with Mary and Don to make sure they get an invite.

Thanks.

Robert M. Sussman
Senior Policy Counsel to the Administrator
Office of the Administrator
US Environmental Protection Agency
----- Forwarded by Bob Sussman/DC/USEPA/US on 07/30/2012 02:00 PM -----

From: Paul Hagemeier < paul.hagemeier@chk.com>

To: Bob Sussman/DC/USEPA/US@EPA

Cc: John Satterfield < john.satterfield@chk.com>, Donald

Maddox/DC/USEPA/US@EPA
Date: 07/30/2012 10:54 AM
Subject: Meeting tomorrow.

Bob – wanted to get a quick read on your agenda for tomorrow's meeting.

We are currently planning to answer questions on methodology and findings from these two studies. We plan to answer questions at a fairly high level, but wanted to find out what depth you or your team might want to get into. They have had these reports for some time, so they may have questions that we can cover.

I believe that we have covered the access and contract issues, but would be happy to address that or any other issues you care to discuss.

Thank you,
Paul Hagemeier
Vice President - Regulatory Compliance
Chesapeake Energy Corporation
Office: (405) 935-4014

E-mail: paul.hagemeier@chk.com

Fax: (405) 849-4014

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